



# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC UTILITY CONTROL

**Anthony J. Palermino**  
*Commissioner*

### THE ENERGY & TECHNOLOGY COMMITTEE

#### Senate Bill 594: AAC RELOCATION COSTS AND ELECTRIC UTILITY RATES

February 26, 2009

#### TESTIMONY OF COMMISSIONER ANTHONY PALERMINO

The Department of Public Utility Control (Department) opposes Senate Bill No. 594. Senate Bill No. 594 would prohibit the Department from including the costs of relocation when setting an electric utility rate. The Department objects to this proposed bill for the following reasons.

First, the bill as written is unclear and overly broad. The definition of "relocating expenses" could include a host of expenses such as moving lines, poles and other facilities. If the bill is centered on eliminating costs from moving an electric distribution company's principal operating facility, the Department believes this is a business decision best rendered by the executives of such companies and not micromanaged by outsiders.

Secondly, the Department's concern when reviewing such costs in a rate proceedings is whether the costs were prudently incurred and in the best interest of ratepayers. If such a cost fails the above-noted analysis, the Department has always been empowered to deny recovery. Therefore, the Department does not believe that this bill is necessary. Moreover, the Department does not believe it is good precedent to begin carving out items out of rate cases which costs might ultimately be legally entitled to recovery.

The Department appreciates this opportunity to testify and is available for any further questions.